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THE HONGKONG DISPENSARY.

Established A.D. 1841.

Hongkong, 26th November, 1895.

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Telephone No. 12.

BIRTH.

At Chiao, Beach Hotel, on the 22nd December, the wife of Capt. GOSWICK, of a son.

The Daily Press.

HONGKONG, JANUARY 1ST, 1896.

THE year 1895 has been fraught with events of vast importance and marks the commencement of what promises to be a new era in the Far East, both politically and commercially. When the year opened China and Japan were in the throes of war, but China had been forced to recognise the superiority of her foe and was suing for peace. After trying to conduct negotiations by means of unskilful and not fully accredited agents at last saw the necessity of abandoning her shuffling policy and approaching the conqueror in an open and straightforward manner. Li HUNG-CHANG was then sent to Shinonoi to meet the Japanese representatives and formal negotiations for peace were opened. These were delayed by an attempt on the life of the veteran Chinese Minister by a man of the south coast, but fortunately the wound, though severe, was not fatal. As a reparation for the outrage the Emperor of Japan decreed an armistice, and this was the end of hostilities between the two countries. Li was able to resume his duties in a few days, and on the 17th April the treaty of peace was signed. By it China ceded to Japan the Liaoning Peninsula and the island of Formosa, undertook to pay an indemnity of Tls. 200,000,000, agreed to the opening of several new ports and to the navigation of the Yangtze by steamers up to Chungking, authorised the importation of machinery and the establishment of factories on foreign lines, and undertook to negotiate a separate commercial treaty. The latter is still pending. The cession of Liaoning was not approved by Russia, and France and Germany joined with her in demanding the restoration of the territory to China. For a time there seemed some danger of a resort to force by these powers to compel compliance with their wishes, Japan being naturally reluctant to surrender her fruits of victory, but ultimately she yielded to the pressure brought to bear upon her and agreed to retrocede the territory upon payment of an additional indemnity of Tls. 50,000,000. The evacuation was finally completed on the 26th December. Formosa was allowed to keep and she commenced its occupation in June and completed it in October. The officials and some of the populace of the island objected to the surrender and the world was entertained with a little political comedy in the declaration of the Formosan Republic, with TANG, the Chinese Governor, as President. In the North the resistance to the new owners proved very short lived, TANG ignominiously standing away when the Japanese approached Taipeh. In the South, Liu, the Black Flag chief, who had been placed in command of the Chinese troops, made a show of holding out, and it must be recorded to his credit that he kept his men under control, the foreign communities not being interfered with or annoyed to any extent, though great alarm for their safety existed when the British

Admiral deemed it necessary to withdraw the guard which had been landed for their protection. When the Japanese ships finally appeared off the southern ports, however, and their land forces approached from the north, Liu, like his associate TANG, secretly made his escape and shortly afterwards appeared at Canton. Formosa is now a Japanese possession, and under its new government a large development of the trade of the island may be expected. Meantime the question of raising the money required by China to discharge the indemnity to Japan had caused great political commotion. Russia, with the assistance of France, made a loan to China of the amount necessary to meet the first instalment, and it was at one time feared that she had thereby obtained a financial grip on the empire, which would virtually reduce China to a Russian protectorate. Reports were at the same time current of advantages to be accorded to the other members of the triple alliance. Never was the prestige of England in the Far East so abased as during this anxious period, but subsequent events afforded the opportunity of re-establishing it in some measure and China was made to understand that England is still a power to whose word respectful attention must be paid.

In May an anti-foreign outbreak occurred in the province of Szechuen, incited and encouraged by the infamous Viceroy LU. Much destruction of mission property took place and the missionaries were compelled to flee to the treaty ports, but happily there was no loss of life, the orders to the rioters being that they should stop short of murder; the directors of the movement apparently considering it imprudent to go to that extent. There was for a time the usual weakness and vacillation on the part of the foreign Governments in dealing with the case, and while the policy of "talk-as-talk" was still in progress the world was startled by news of a diabolical outrage in another province, an outrage which has been unparalleled since the Tientsin massacre. On the 1st August, near Kueiching, in Fuhkien, a band of men belonging to the Vegetarian Society swept down in the early morning on a mission station and put to death the Rev. Mr. and Mrs. STEWART, their governess, one child, and six ladies, two other children being badly wounded, one of whom subsequently died. The British Government at last recognised the necessity of effective action to suppress the anti-foreign spirit that threatened to sweep over the whole country, and a naval demonstration was made on the Yangtze to enforce compliance with the demand for the degradation of LU, the ex-Viceroy of Szechuen, for his connection with the riots in that province. LU had already been superseded in the Viceroyalty and was in disgrace for matters unconnected with the outrages in question, but the Chinese Government had declined to deprive him of all official rank, as demanded by the British Government. On an ultimatum being presented, however, and a naval demonstration on the Yangtze being made, they promptly did what was demanded, a decree being issued for ever degrading LU. The ultimatum was miserably inadequate, and although its execution created an impression for the moment it is of a nature that is likely to be soon forgotten. Had the surrender of the offender's person for incarceration in a British possession been demanded and enforced the officials throughout the empire would have quaked in their shoes and the effect would have continued for many years to come. As to the Kueiching atrocity, the officials who so lamentably failed in their duty of preserving order have not yet been dealt with, nor, so far as is known, has any definite demand in that sense been made, but a trial, by a mixed commission, of the men immediately concerned in the outrage was insisted upon and a large number of the culprits were executed. The Peking Government has reason to congratulate itself that it has been so leniently dealt with in these matters, but the pressure brought to bear by England, though it stopped far short of the point to which it ought to have been carried, nevertheless brought home to them the fact that there are limits to England's patience which it would not be safe to overstep. The same lesson has been taught them in connection with their breach of faith in ceding to France certain territory in the South-west which had been made over to China by Great Britain in the settlement of the Burmah frontier on condition that it should never be ceded to another power. The result of that perilous act on the part of China has been the resumption by Great Britain of a large extent of territory that had been recognised as Chinese and the moving-forward of the Burmah frontier.

Russia, France, and Germany were not disinterested in their interference on China's behalf to secure the retrocession of Liaoning by Japan. The first named power looks forward to the time when the reversion of the territory in question will fall to her own share and in the meantime she is to be allowed to run her Trans-Siberian railway through Manchuria and, it is believed, has secured the right to carry a branch line down to Port Arthur. Rumours as to the acquisition of a naval station by her have also been in circulation, but so far, have not been verified. The establishment of Russian domination over the whole of Manchuria seems, however, to be only a question of time. Meanwhile, as a heavy creditor of China, she is in a position to exert a potent influence on the councils of the Government. France as her share of the diplomatic success of the three powers has secured an extension of her Tonkin frontier and further trading facilities in that district; while Germany has obtained settlement concessions at Tientsin and Hankow and probably other advantages not yet made public.

The commercial effects of the China-Japan treaty have already begun to manifest themselves. The recognition of the right to import foreign machinery into China had previously been nominally secured by the action of the diplomatic body at Peking, but the conclusion of the treaty with Japan placed the matter beyond doubt and removed all possibility of further obstruction by the Native authorities. No less than four foreign Companies have been formed at Shanghai to carry on cotton factories, the natives have also seized upon the opportunity with avidity, and Japanese

Companies are already projected, so that the Model Settlements laid out in 1894 had been in a few years a second Manchester. There has already been a large increase in the population of the place in consequence of the new development and property has greatly increased in value. Steamship lines to connect Shanghai with newly opened ports of Hangchow and Soochow are in course of promotion, and will prove a step towards the introduction of steam navigation on all the inland waterways of the Empire. Reports of railway construction have also been rife and it seems tolerably certain that a line will shortly be made between Peking and a point within a few miles of Peking, while the construction of a trunk line from the latter port to Hankow now only awaits the subscription of the necessary funds by Chinese capitalists, which, however, is rather a large "only".

The development of manufacturing industry at Shanghai and elsewhere in the Far East will naturally affect certain branches of the import trade, but its general result will not be to diminish the gross volume of the foreign trade of China, but rather to increase it, and therefore to increase the tonnage employed and the prosperity of Hongkong, for it is on the shipping trade that this colony is mainly dependent. During the past year the shipping employed in the trade of the Far East has shown a healthy increase and freight rates have been such as to leave a margin of profit over and above the cost of running. The Chinese Customs returns for the first three quarters of the year are also indicative of commercial activity, and most of the public companies having their field in this part of the world are reported to have done well, increased dividends being looked for in several instances. Conditions in the earlier part of the year were, however, unfavourable to our local sugar industry, and although there has lately been a return of comparative prosperity, which bids fair to continue, the results of the 1895 working is not likely to be brilliant. Shareholders interested in gold mining in the Malay Peninsula must still be content to possess their souls in patience. During the year several small industries have been established in Hongkong, but disappointment has been felt that the colony has not shared with Shanghai in the establishment of cotton factories. For this important industry, however, the conditions obtaining at the northern port appear to have been deemed the more favourable. While not ignoring this disappointment, the trade of the colony during the year has on the whole been good and shows a great improvement on that of the few years previously. We seem now fairly to have turned the corner of mercantile depression and after the series of lean years that have been experienced may look forward with some confidence to a period of continued prosperity. Happily we have been spared, with the exception of a few sporadic cases, any return of the plague, which played such havoc in the colony in 1894. The disease made its appearance in some neighbouring places, however, and it was necessary for a time to prohibit Chinese immigration from Swatow, Macao, and Hainan. In noting the conditions of trade during the year mention should not be omitted of the reduction that has taken place in the bank rate of interest, which has enhanced the value of all sound securities and facilitated commercial transactions, though it is not looked upon altogether as a blessing by the class of small investors, who now draw only four per cent. on their fixed deposits in the banks instead of five per cent. as formerly. The introduction of the British dollar, which places our local currency on a more satisfactory basis, is another event of importance in the commercial chronicle of the year.

Turning to the local politics of the colony, the period under review has been one of some excitement. In March the Chinese attempted to resist the application of sanitary laws to common lodging houses by organising a cooie strike, which lasted for twelve days, and caused some "disorganisation of business" during that period, though the inconvenience was minimised by the assistance of the Garrison, a number of soldiers being employed in working cargo. The strike was not on a question of wages but in direct resistance to the law and was therefore seditious in its nature. Too much praise cannot be accorded to H.E. the Governor for the firmness with which he met the movement and overcame it, notwithstanding that there was an inclination on the part of some of the leading members of the mercantile community to give way, a course that would have placed at the mercy of the future good government of the colony, which it would have placed at the mercy of unscrupulous agitators. The wisdom which characterised Sir WILLIAM ROBINSON'S conduct in that matter, however, was wholly lacking in his treatment of the Sanitary Board, a body to which he has shown an uncompromising spirit of hostility. In April His Excellency appointed an Acting Medical Officer of Health, a much needed appointment, but made under terms which could only be construed as a direct insult to the Sanitary Board. The Medical Officer was to be a member of the Board but at the same time entirely independent of it, so that the Board could neither call on him for reports nor give him directions to carry out its policy. Under these circumstances unofficial members then in the colony felt they had no alternative but to send in their resignations, a course in which they were entirely supported by public opinion. Their places have not yet been filled and the whole question of the constitution of the Board is now under the consideration of the Secretary of State. The despatches have not yet been published, but there are indications that Mr. CHAMBERLAIN has disapproved of the action of the Government and that the final decision will be in favour of a reconstitution of the Board on a more popular basis. The conviction is steadily growing that what the colony really needs is a Municipal Council with full control over purely municipal matters, including sanitation, and that would be the best solution of the present long continued crisis. Following the excitement caused by the resignation of the unofficial members of the Sanitary Board came the famous incident. Mr. FRANCIS, whose services as Chairman of the

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Turning to the local politics of the colony, the period under review has been one of some excitement. In March the Chinese attempted to resist the application of sanitary laws to common lodging houses by organising a cooie strike, which lasted for twelve days, and caused some "disorganisation of business" during that period, though the inconvenience was minimised by the assistance of the Garrison, a number of soldiers being employed in working cargo. The strike was not on a question of wages but in direct resistance to the law and was therefore seditious in its nature. Too much praise cannot be accorded to H.E. the Governor for the firmness with which he met the movement and overcame it, notwithstanding that there was an inclination on the part of some of the leading members of the mercantile community to give way, a course that would have placed at the mercy of the future good government of the colony, which it would have placed at the mercy of unscrupulous agitators. The wisdom which characterised Sir WILLIAM ROBINSON'S conduct in that matter, however, was wholly lacking in his treatment of the Sanitary Board, a body to which he has shown an uncompromising spirit of hostility. In April His Excellency appointed an Acting Medical Officer of Health, a much needed appointment, but made under terms which could only be construed as a direct insult to the Sanitary Board. The Medical Officer was to be a member of the Board but at the same time entirely independent of it, so that the Board could neither call on him for reports nor give him directions to carry out its policy. Under these circumstances unofficial members then in the colony felt they had no alternative but to send in their resignations, a course in which they were entirely supported by public opinion. Their places have not yet been filled and the whole question of the constitution of the Board is now under the consideration of the Secretary of State. The despatches have not yet been published, but there are indications that Mr. CHAMBERLAIN has disapproved of the action of the Government and that the final decision will be in favour of a reconstitution of the Board on a more popular basis. The conviction is steadily growing that what the colony really needs is a Municipal Council with full control over purely municipal matters, including sanitation, and that would be the best solution of the present long continued crisis. Following the excitement caused by the resignation of the unofficial members of the Sanitary Board came the famous incident. Mr. FRANCIS, whose services as Chairman of the

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